

Testimony
Human Services Committee
February 17, 2009
Medicaid Reimbursement H. B. 4260
By
Quincy Abbot

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I am Quincy Abbot of West Hartford, an advocate for people with disabilities and parent of a daughter with intellectual disabilities. Today I am speaking for The Arc of Connecticut.

The Arc strongly endorses H. B. 4206. It is important that Connecticut support fully the most vulnerable among our population whether they require acute medical care or long term care. The larger the federal reimbursement, the larger is Connecticut's ability to provide the needed services and supports.

The federal government uses an arcane formula to determine the percentage of each state's Medicaid payments that are reimbursed. Connecticut receives only the minimum payment of 50% while other states receive as much as an 80% reimbursement. The formula involves the square of the average income in a state and the square of the average income in the country. Even a retired actuary like me has a hard time making sense of it! The presumption appears to be that states with higher average incomes can afford to pay more of their Medicaid cost. But consider State B that has an average income twice that of State A but also has a cost of living that is twice that of State A. A fair formula would put the two states on an equal basis but the current formula does not do so. State A could get 80% reimbursed while State B received only 50%. I suggest that a look also be taken at the fairness of the formula with the intent to make the formula fair.

Thank you for the consideration of this issue.